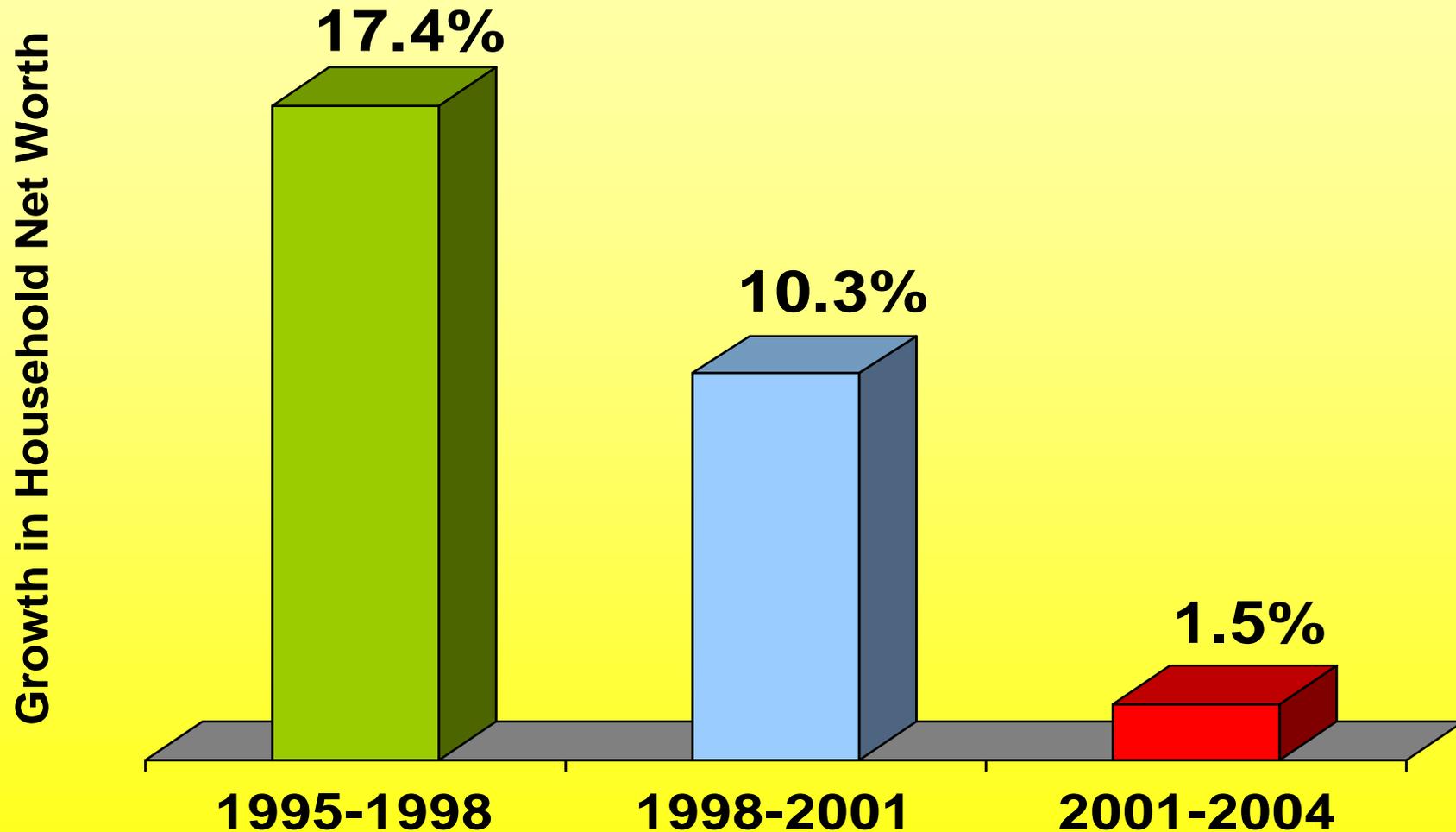
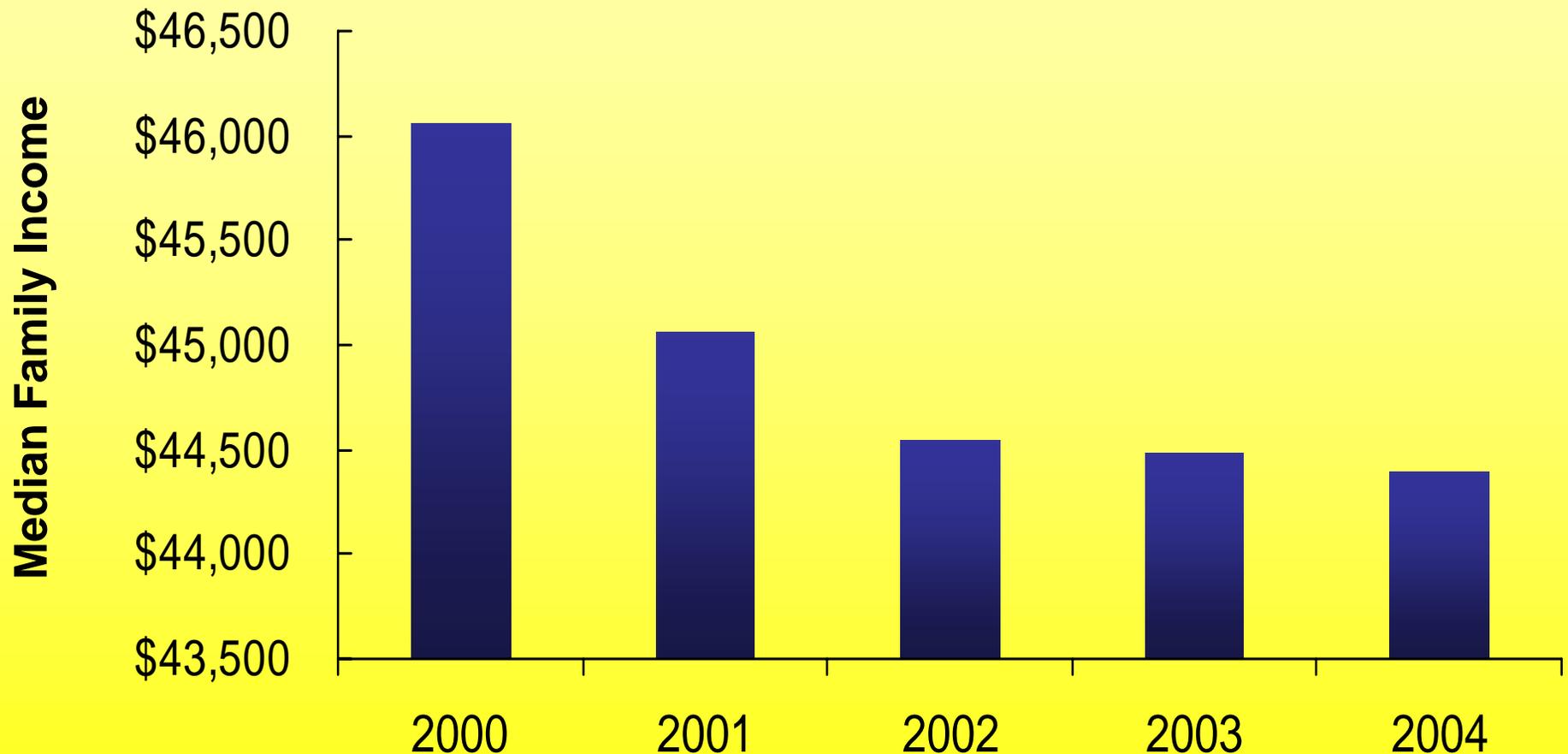


Stagnant Net Worth Under Bush Administration



Typical Family Income Decreases Every Year Under Bush

(Inflation-Adjusted Median Family Income)



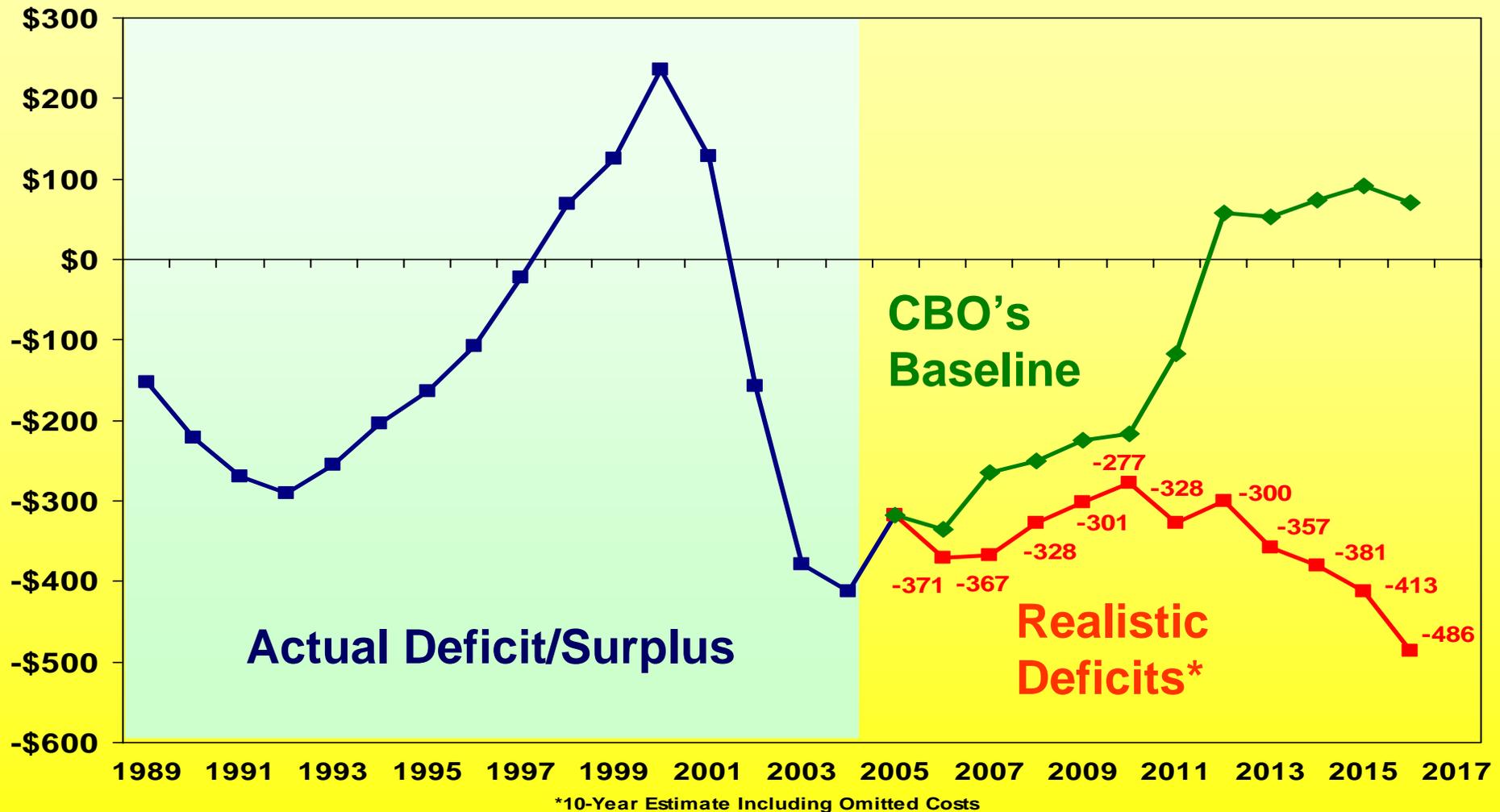
Republicans Increase the Debt Limit by **\$3 Trillion**

Debt Limit Increases, Billions of Dollars

June 2002	\$450
May 2003	\$984
November 2004	\$800
March 2006	\$781
Total Increases	\$3,015

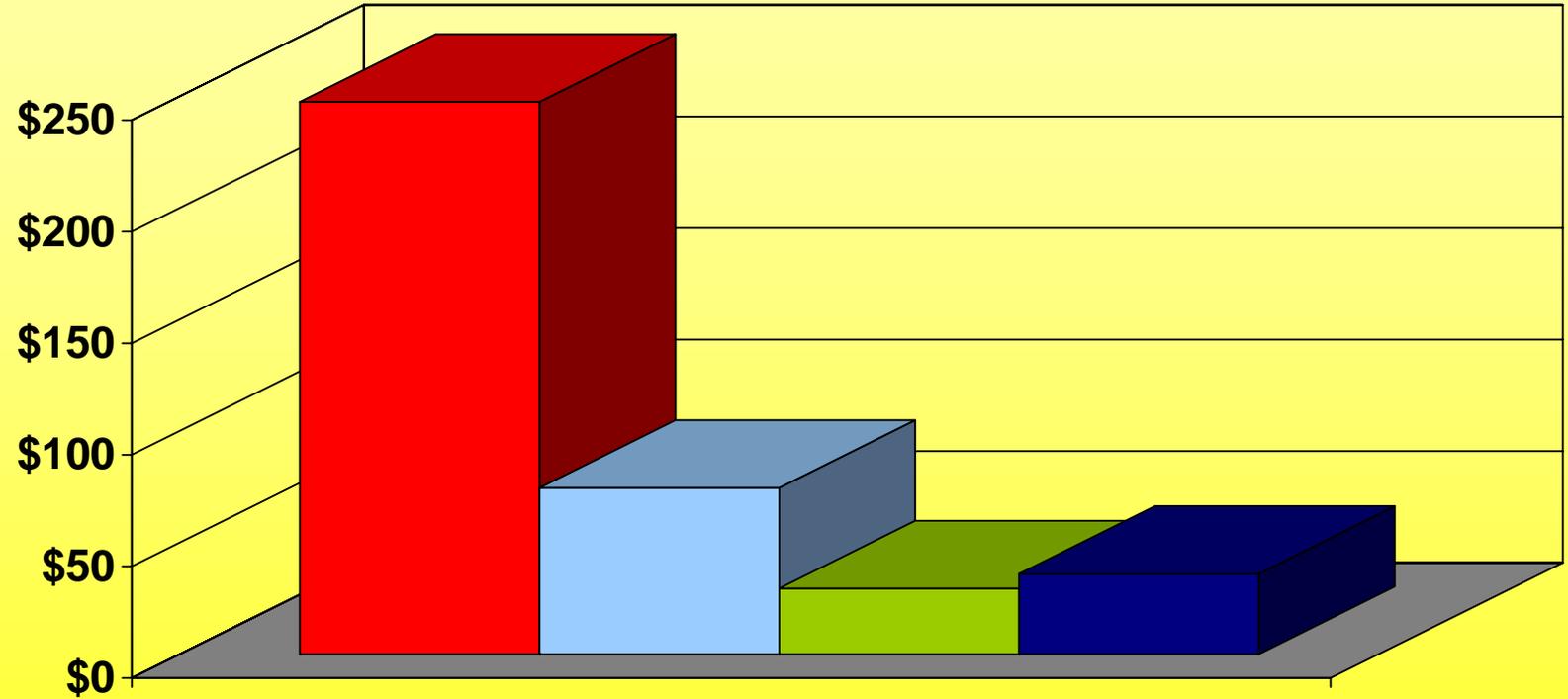
Realistic Estimate Shows Bleak Deficit Outlook

Deficits in Billions of Dollars



Interest Payments on Debt Dwarf Other Priorities

2007 Budget Authority in Billions of Dollars

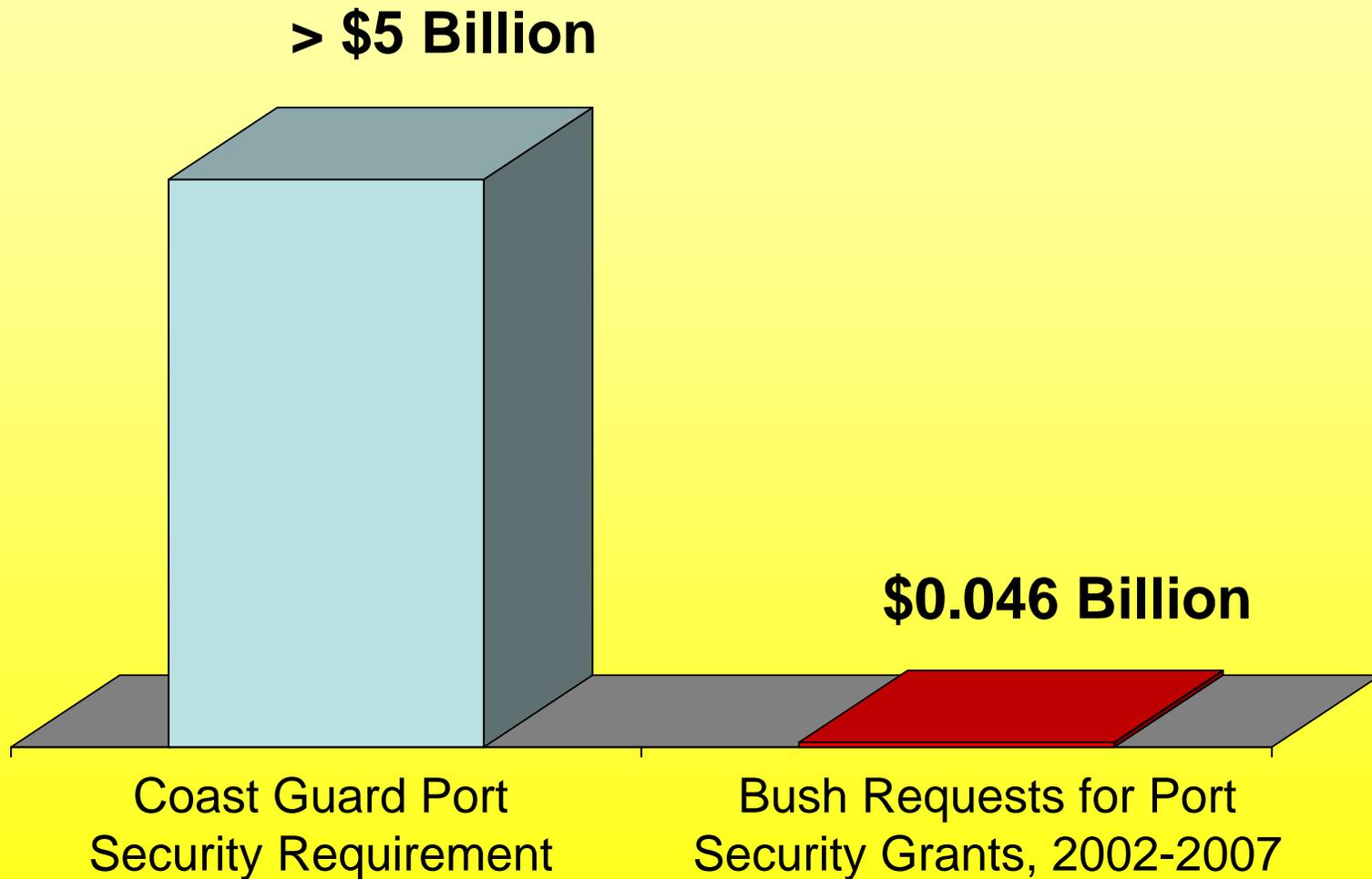


President's 2007 Budget

■ Net Interest ■ Education ■ Homeland Security* ■ Veterans

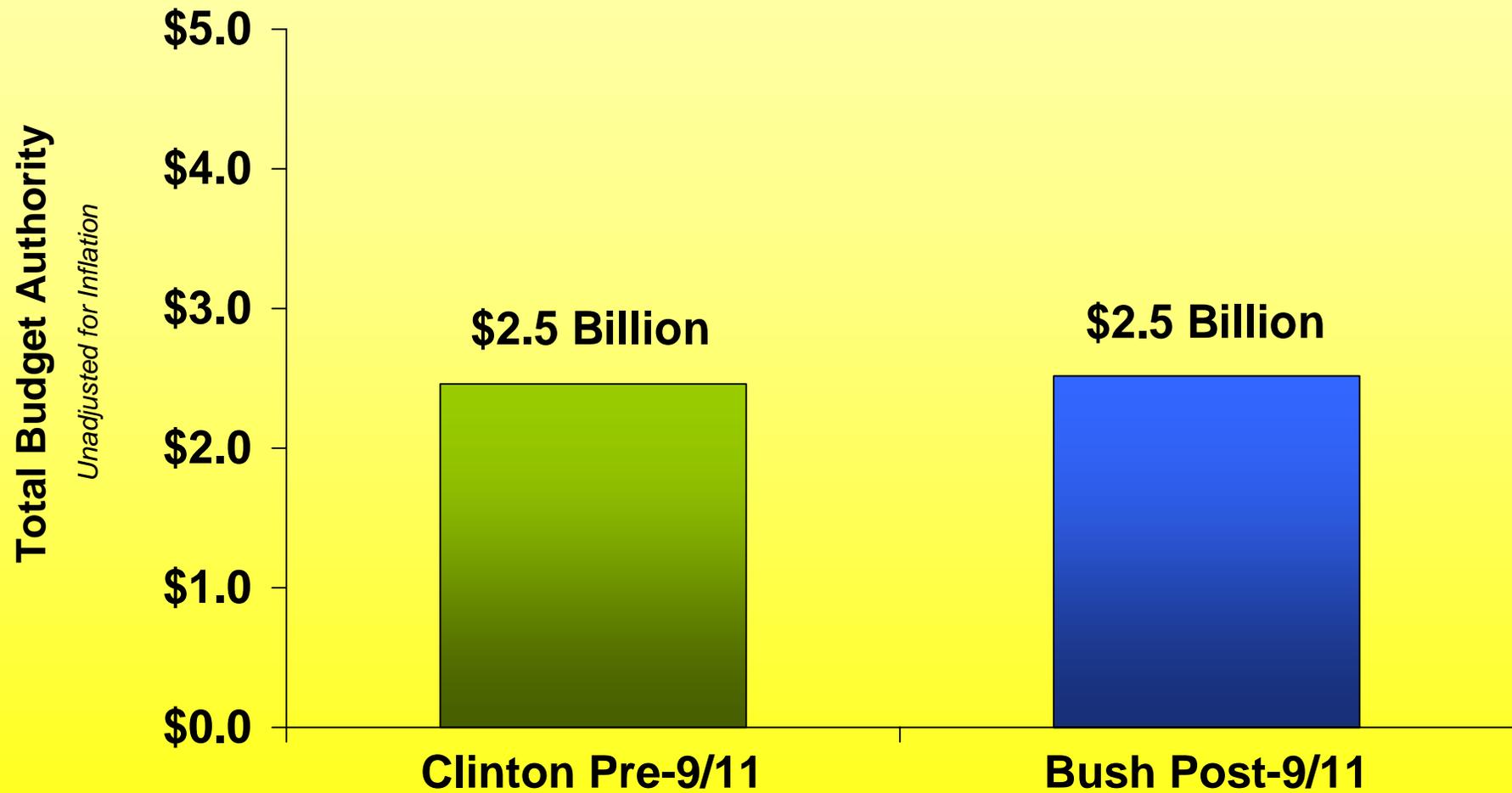
*domestic discretionary funding

Bush Budgets Requested Only \$46 Million for Port Security Grants Since 2002

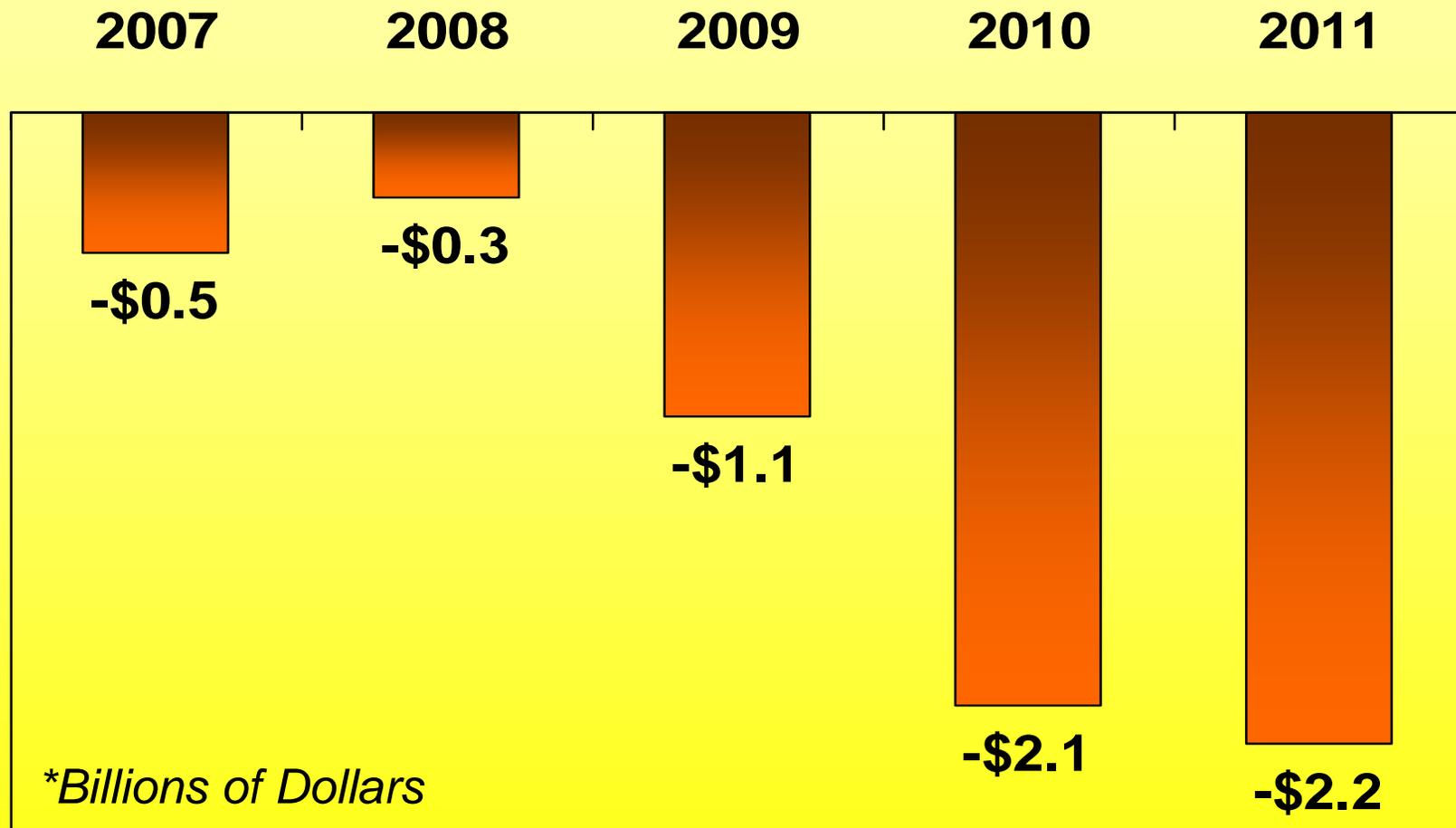


Cooperative Threat Reduction

Comparison of Funding Requested by Clinton (1996-2001) and Bush (2002-2007)



Chairman's Mark Cuts Port Security Budget Functions \$6.1 Billion Below Current Services Over 5 Years

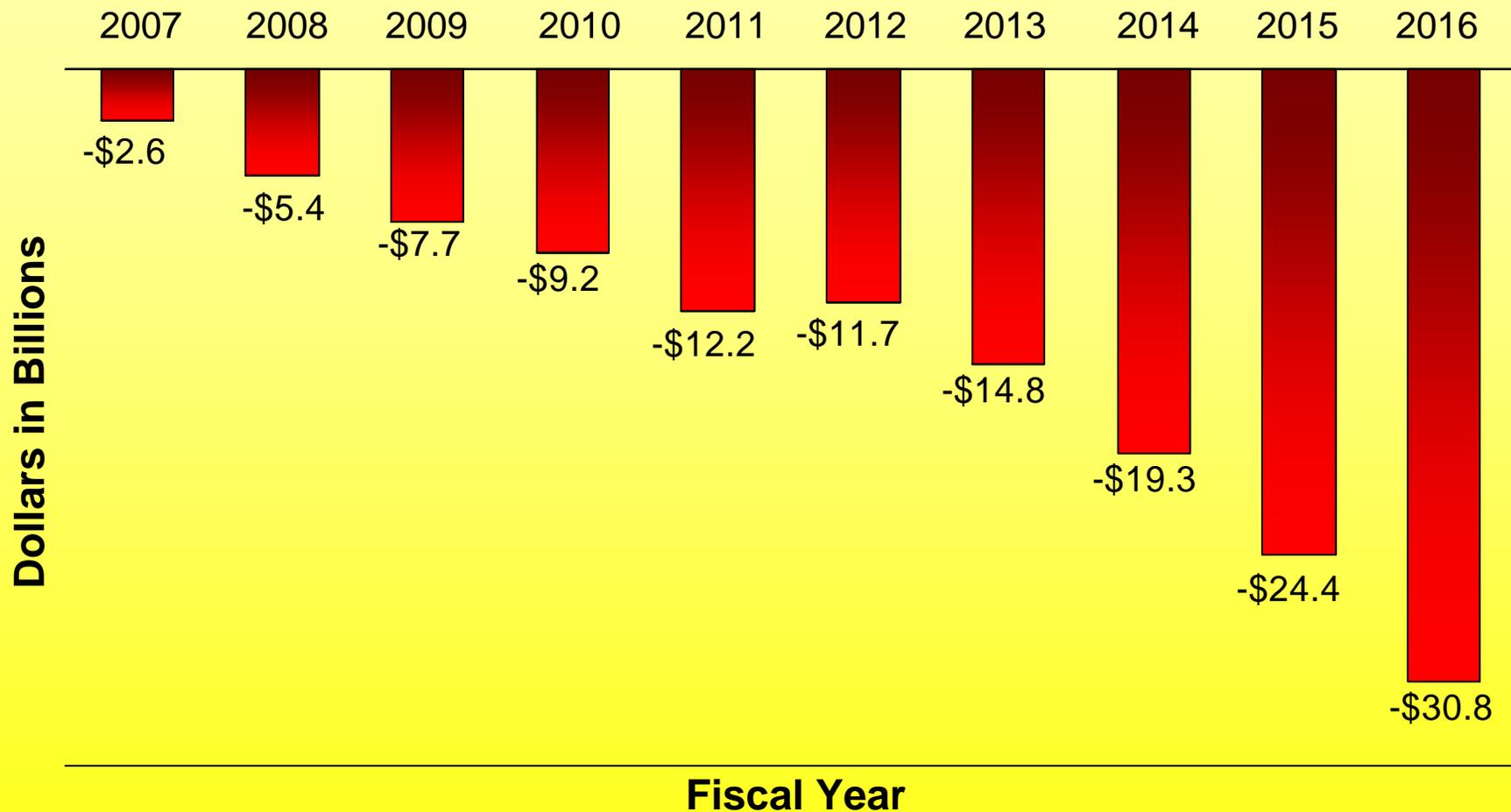


Chairman's Mark Cuts Homeland Security Budget Functions **\$488 Million** in 2007

Function	Chairman's Mark	CBO Current Services	Cut
450	\$13,048	\$13,469	\$-421
750	\$40,651	\$40,718	\$-67

Millions of Dollars

President's Budget Cuts Medicare By \$138 Billion Over Ten Years



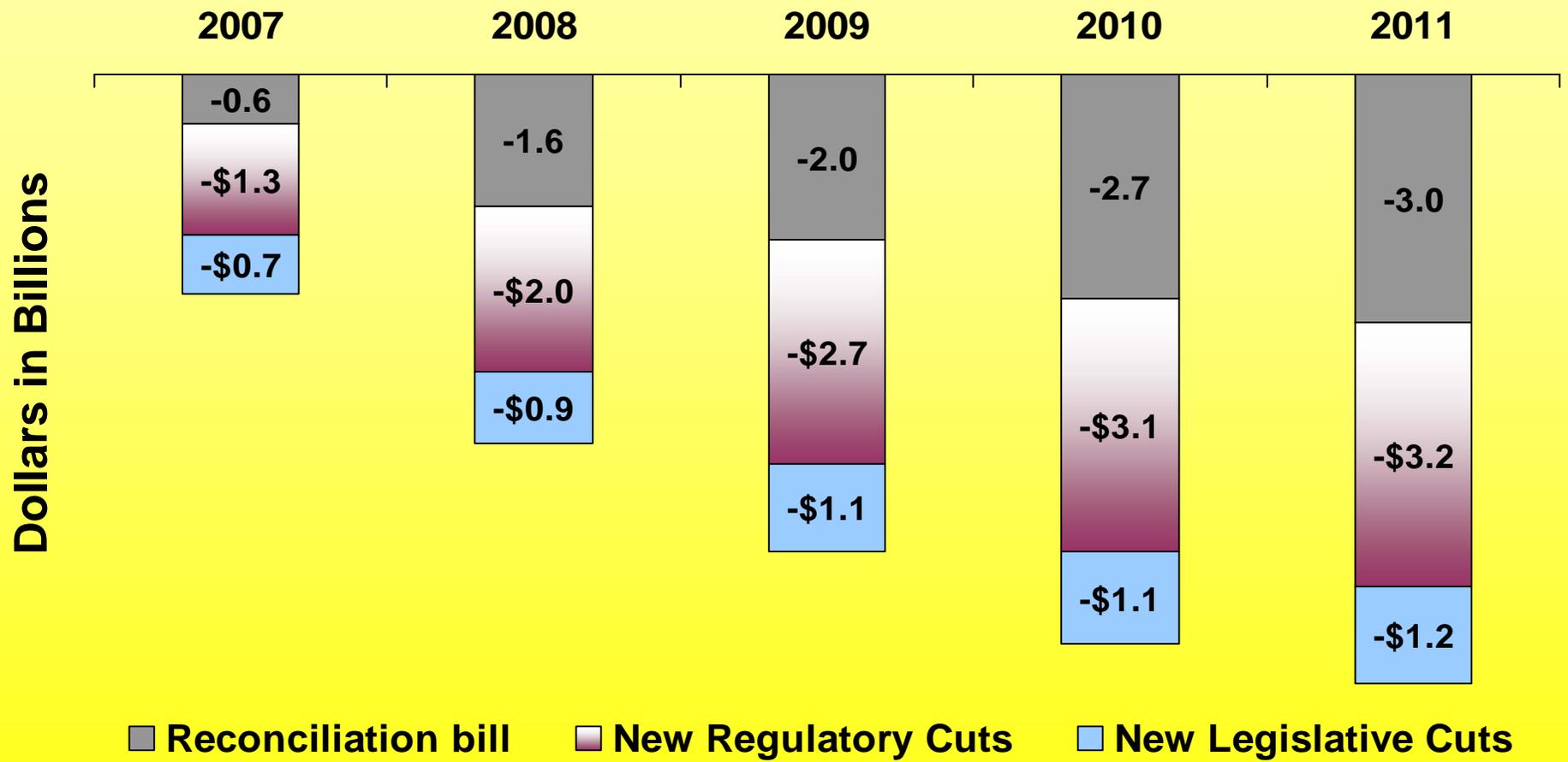
MedPAC Recommends Over \$60 Billion in Cuts to HMOs and PPOs

Billions of Dollars, 2007-2016 (Includes Premium Interactions)

Eliminate Overpayments to Plans So That They Are More In Line With Fee-For-Service	-\$45.7
Eliminate Double Payments for Medical Education	-\$8.4
Eliminate PPO "Slush" Fund	-\$9.0
Total Recommended Cuts to Private Plans (Including interactions)	-\$63.1

The President's Budget Cuts Medicaid by \$17 Billion Over Five Years

New Reductions In Addition To \$10 Billion In Recent Reconciliation Cuts



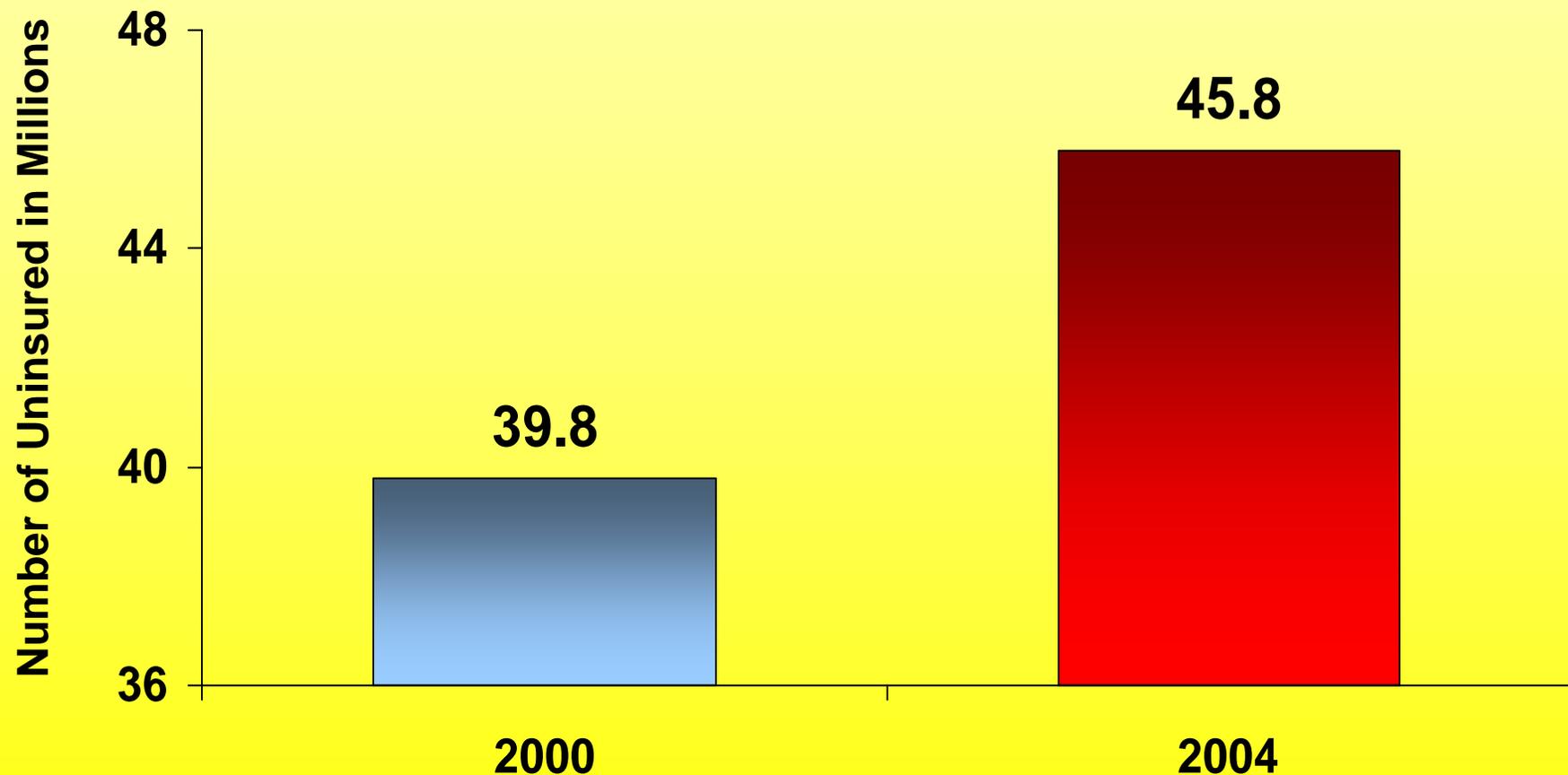
Medicaid Cuts Hurt Children and Families

Republican Reconciliation Spending Cuts Bill Will Cause...

- 13 million people to **pay higher costs** for their medical care, including 4.5 million children.
- 20 million people to **pay higher costs** for their prescription drugs, including 6.6 million children.
- At least 65,000 people to **lose Medicaid coverage** because they cannot afford higher premiums.
- **Benefit cuts** for 1.6 million adults. The numbers will be even higher when children are included.
- **Loss of long-term care coverage** for 130,000 people.

Number of Uninsured Reaches Over 40 Million

Increase of 6 Million Uninsured Under President Bush



Medicare Prices for 10 Most Commonly Used Drugs Are...

- Over **80% higher** than those negotiated by the Department of Veterans Affairs

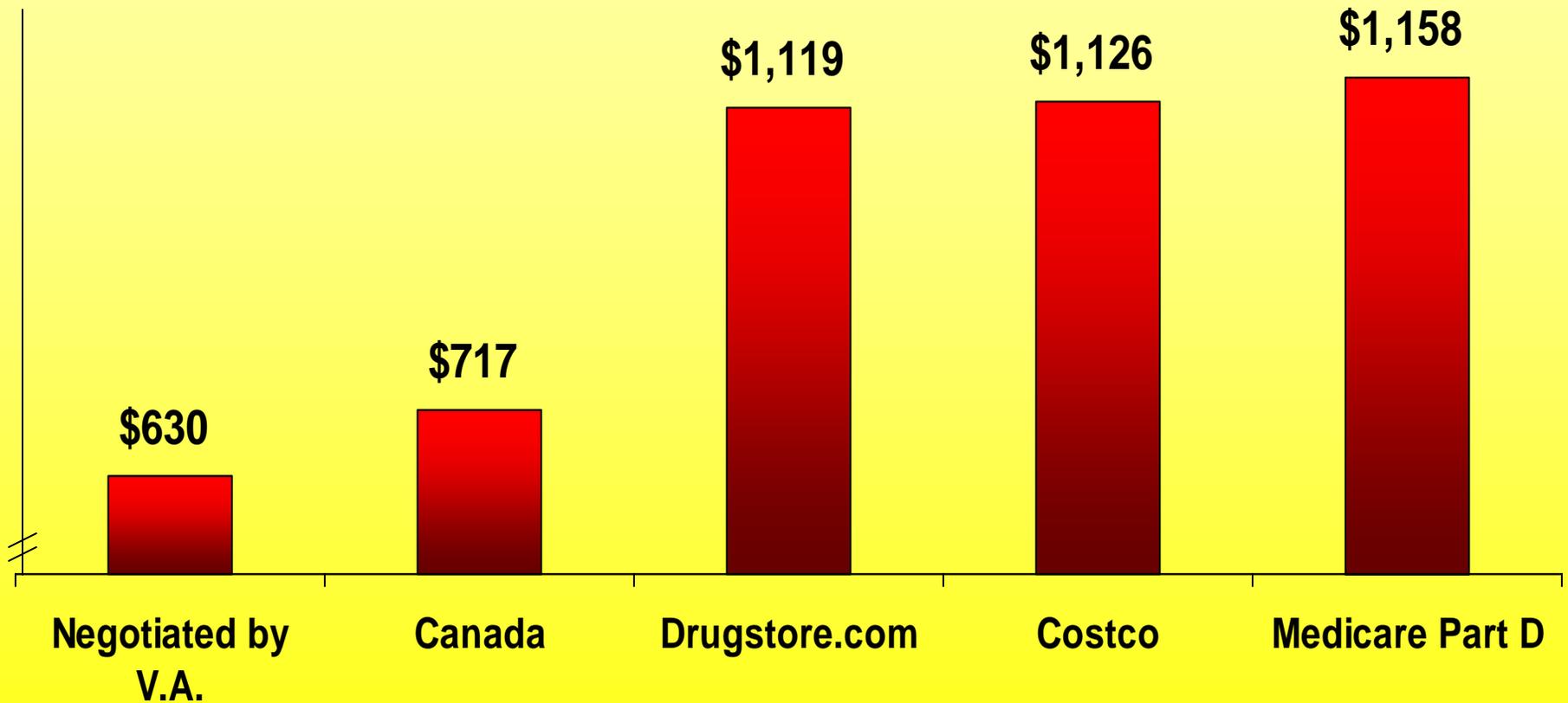
- Over **60% higher** than prices available in Canada

- Over **3% higher** than prices available on Drugstore.com

- Almost **3% higher** than prices available at Costco

Prescription Drug Prices Are Higher In Medicare

Average price for One-Month Supply of 10 Most Commonly Used Drugs



Negotiating Drug Prices Would Save Money for Medicare

- HHS could negotiate lower prices if it was allowed to harness the purchasing power of over 44 million Medicare beneficiaries.

- Secretary Thompson has said, “I would like to have had the opportunity to negotiate [drug prices].”

- During the Anthrax scare, **Secretary Thompson negotiated a 46% discount** off of Bayer’s original price for Cipro.

- In 2003, **HHS negotiated a discount of over 50%** for FluMist.

- GAO found that average **VA-negotiated prices are 50 lower** than the average manufacturer’s prices.

Republicans **Eliminate** 42 Education Programs

High School:

- Gaining Early Awareness (GEAR-UP)
- Smaller Learning Communities
- School Dropout Prevention
- TRIO Talent Search
- TRIO Upward Bound

Vocational Education – every program:

- Vocational Education State Grants
- Tech-Prep Education State Grants
- Voc. Ed. National Programs

Improving Teacher Quality:

- Teacher Quality Enhancement
- National Writing Project
- School Leadership
- Ready To Teach

Education Technology – every program:

- Ed. Technology State Grants
- Star Schools

Even Start

Parental Info. and Resource Centers

Arts in Education

Comprehensive School Reform

Mental Health Integration in Schools

Close Up Fellowships

Foundations for Learning

Higher Education:

- Perkins Loans, recall revolving funds
- Perkins Loans Cancellations
- Leveraging Ed. Assist. Partnerships
- Byrd Honors Scholarships
- Demos for Students with Disabilities
- Thurgood Marshall Legal Education
- Underground Railroad Program
- B.J. Stupak Olympic Scholarship

Safe and Drug-Free Schools:

- State Grants
- Alcohol Abuse Reduction

Rehabilitation Services:

- Supported Employment Grants
- Projects With Industry
- Recreational Programs
- Migrant & Seasonal Farmworkers

Civics Education

Academies for American History and Civics

Elementary/Secondary Counseling

Grants for Incarcerated Youth

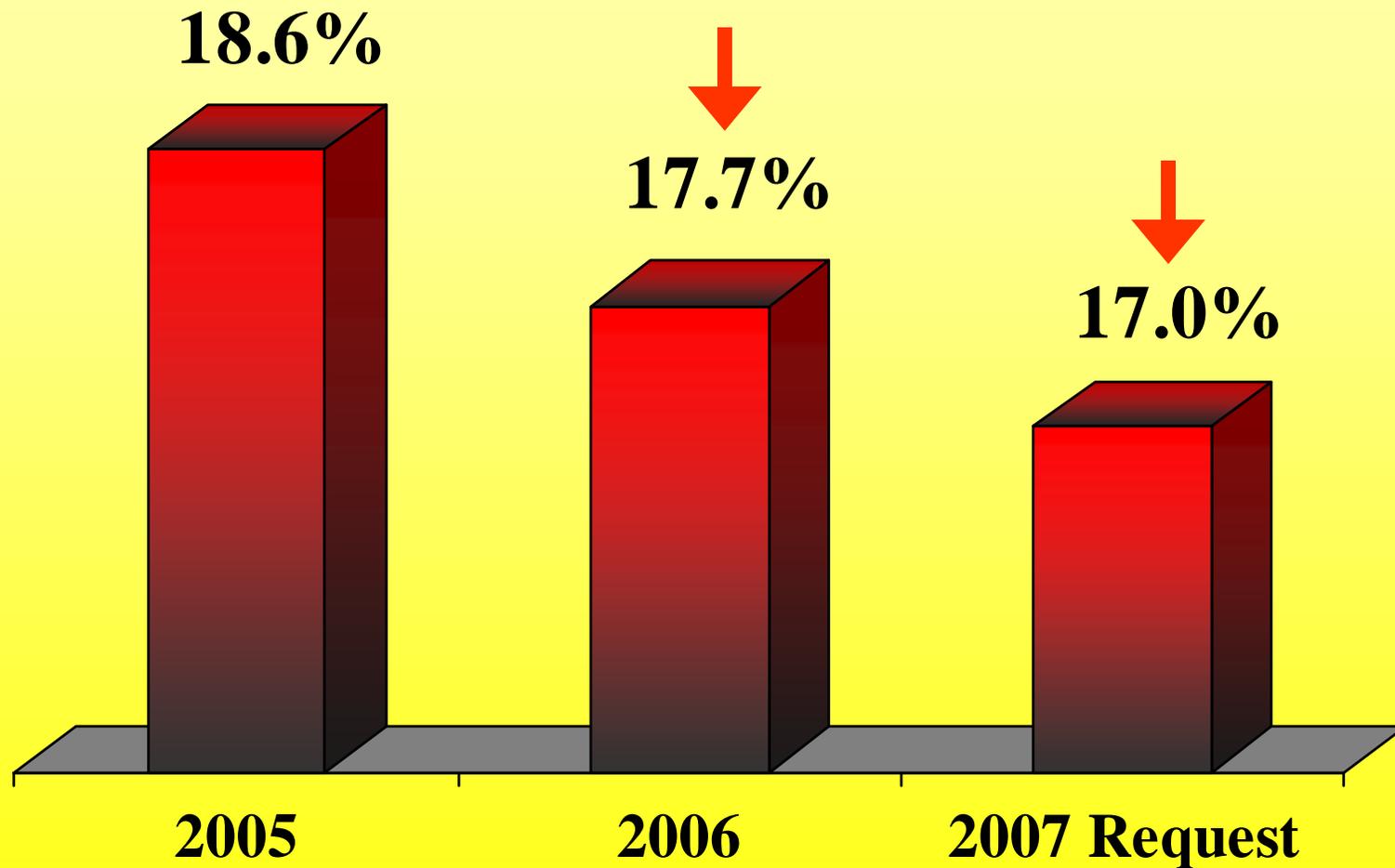
Javits Gifted and Talented Education

Exchanges with Historic Partners

Women's Educational Equity

Excellence in Economic Education

Republicans **Cut** Federal Share of IDEA Spending



Education Freezes

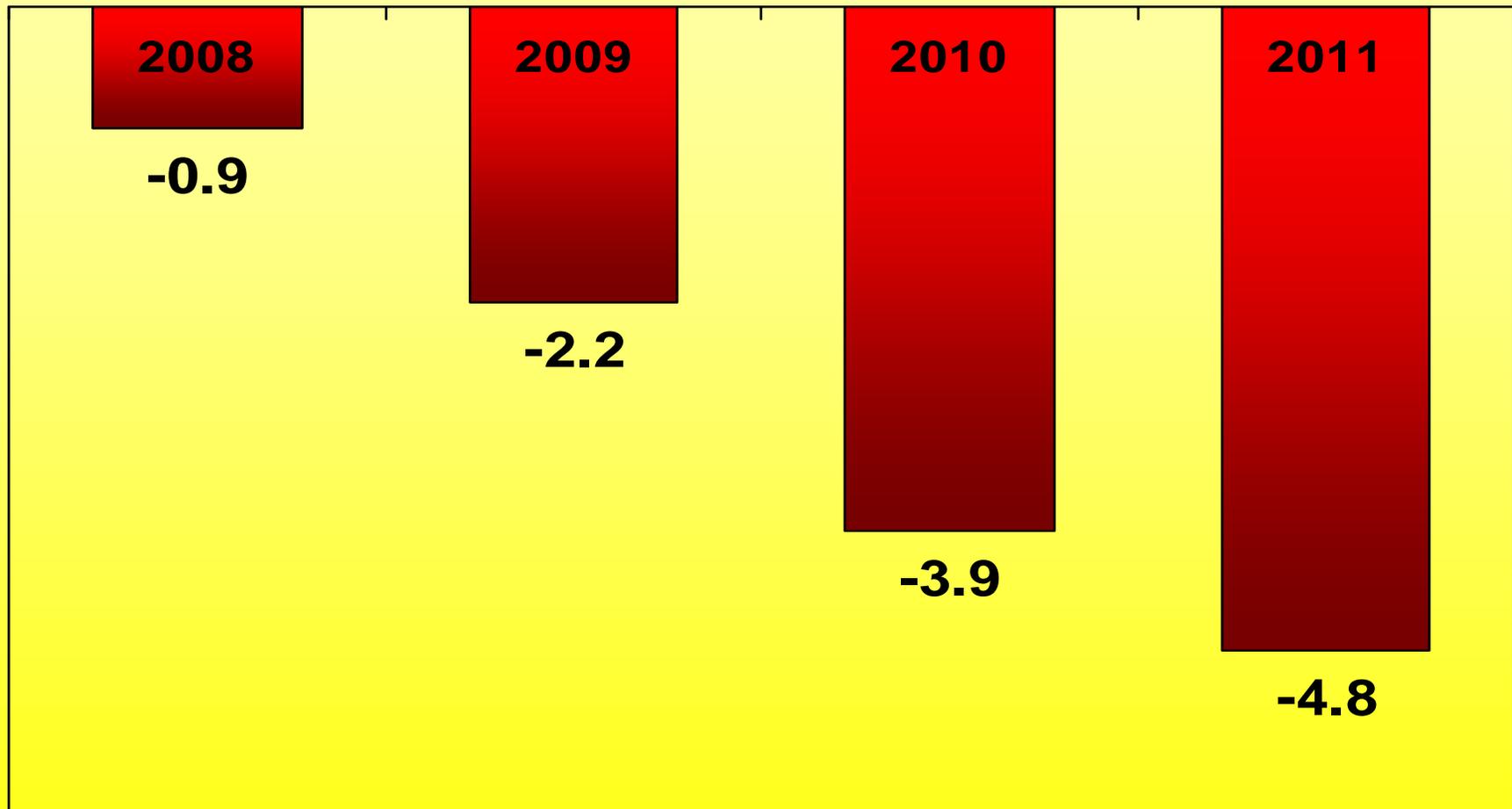
The President's budget freezes many programs at the 2006 enacted level, including:

- Impact Aid
- Title I state grants
- Pell Grant maximum
- Teacher quality grants
- Rural education
- Work-Study
- Supplemental educational opportunity grants
- 21st century community after-school programs



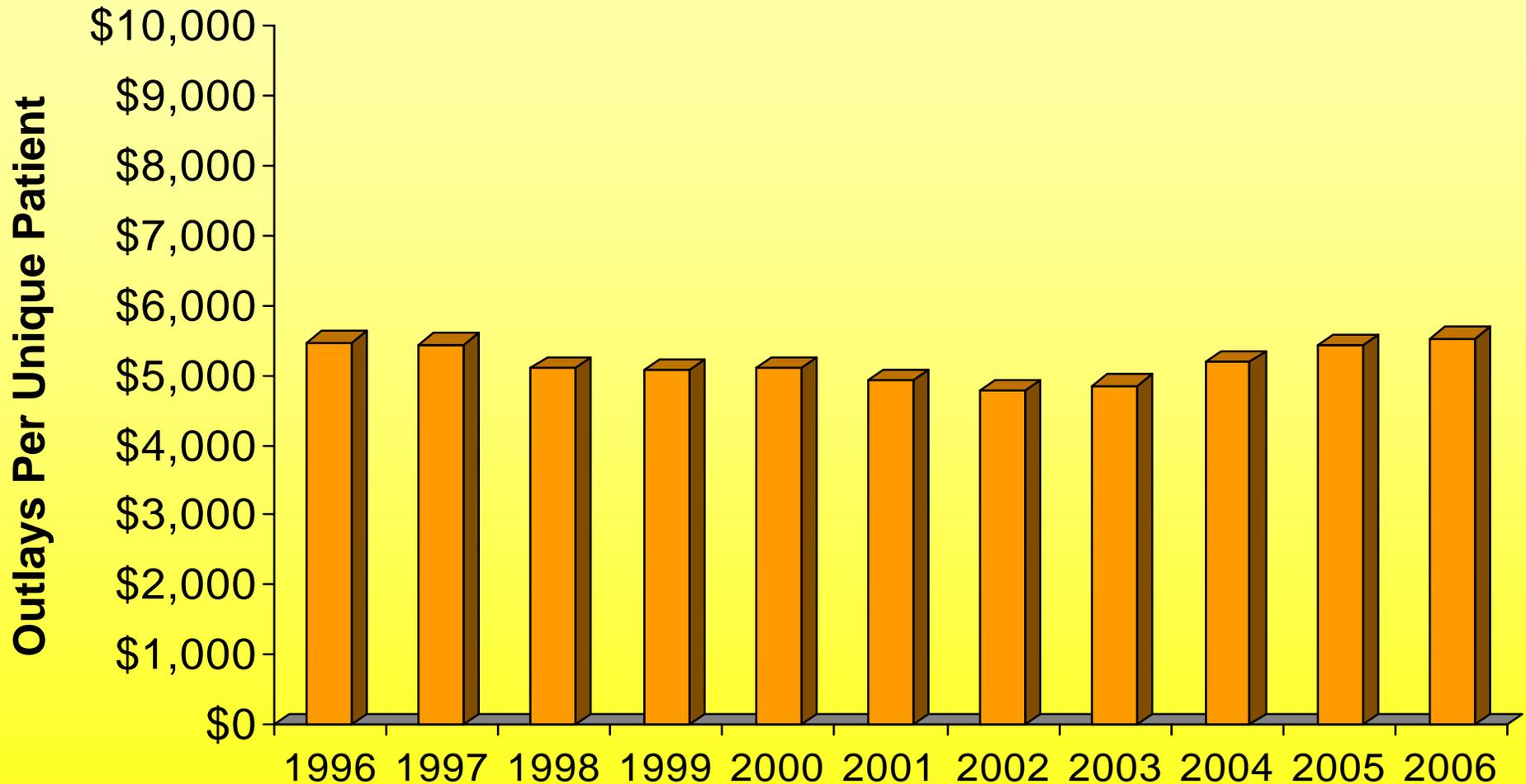
Funding for Veterans Cut \$11.8 Billion Below Inflation 2008-2011

Cuts in Discretionary BA in Billions Below Current Services



VA Health Care

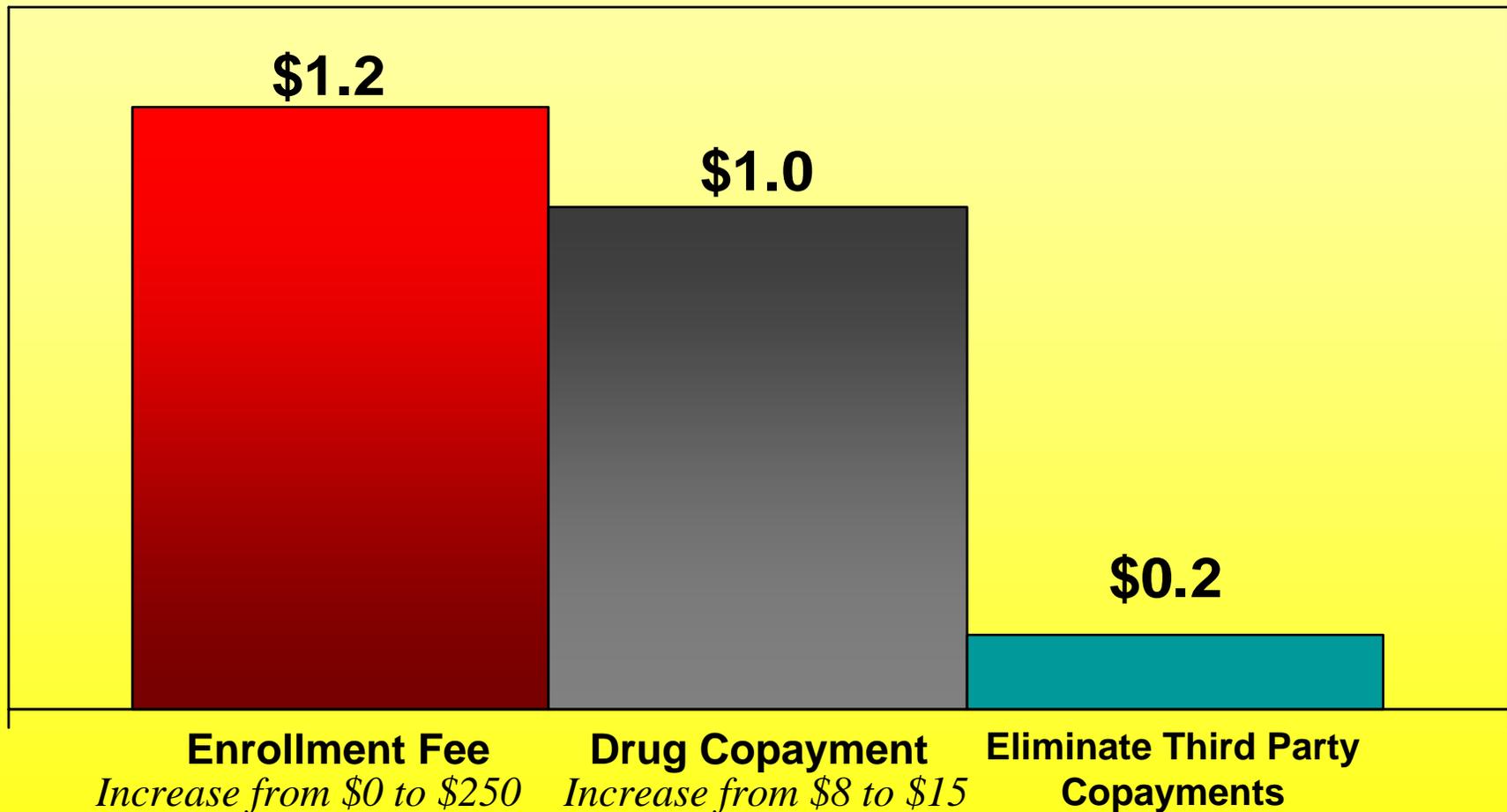
Spending on a Per Capita Basis Averages Only a 0.1 Percent Annual Increase From 1996-2006



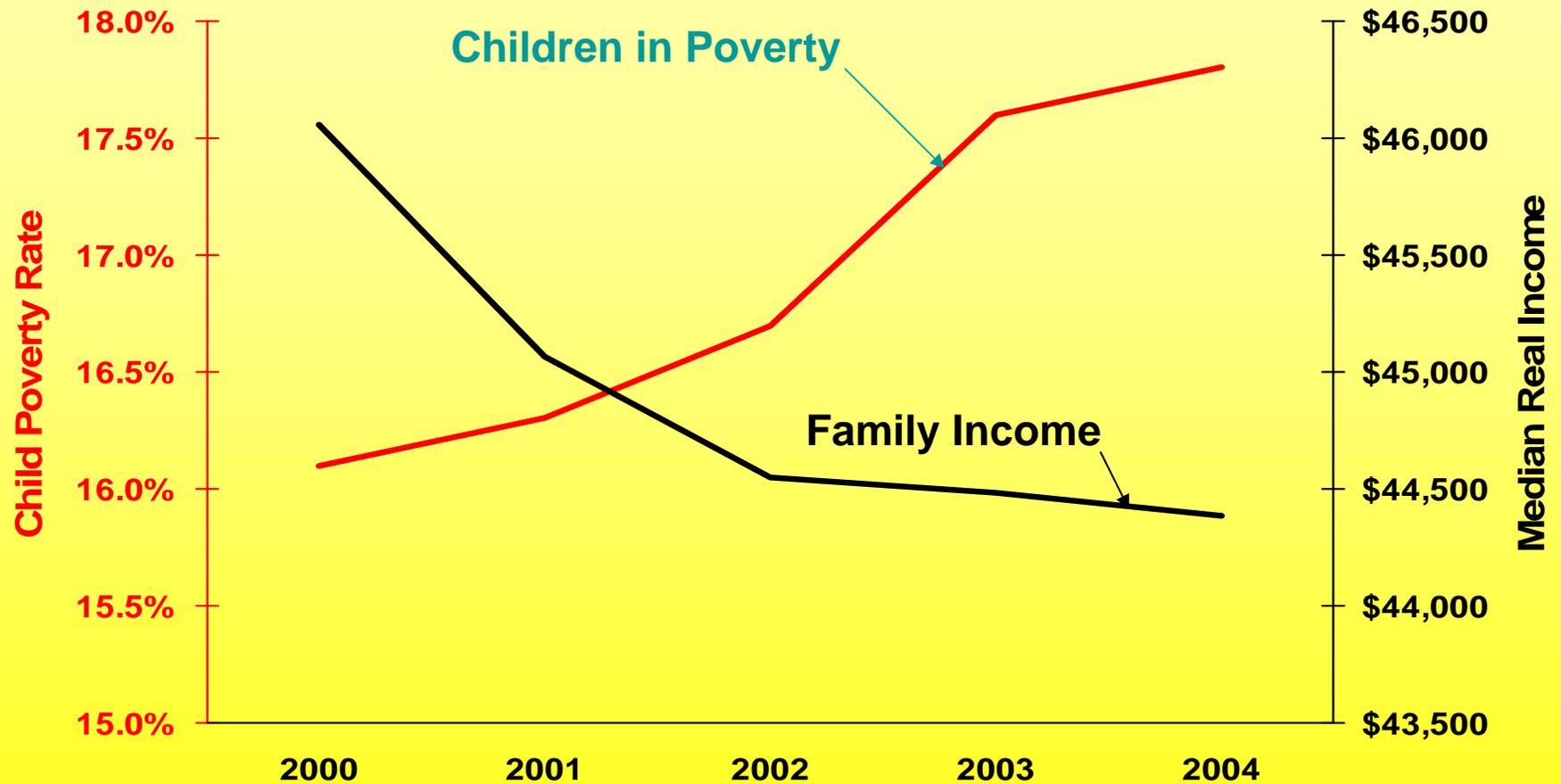
Subfunction 703, Hospital and Medical Care for Veterans

President's Proposal For New Fees Cost Veterans **\$2.4 Billion** Over Five Years

Cost in Billions of Dollars

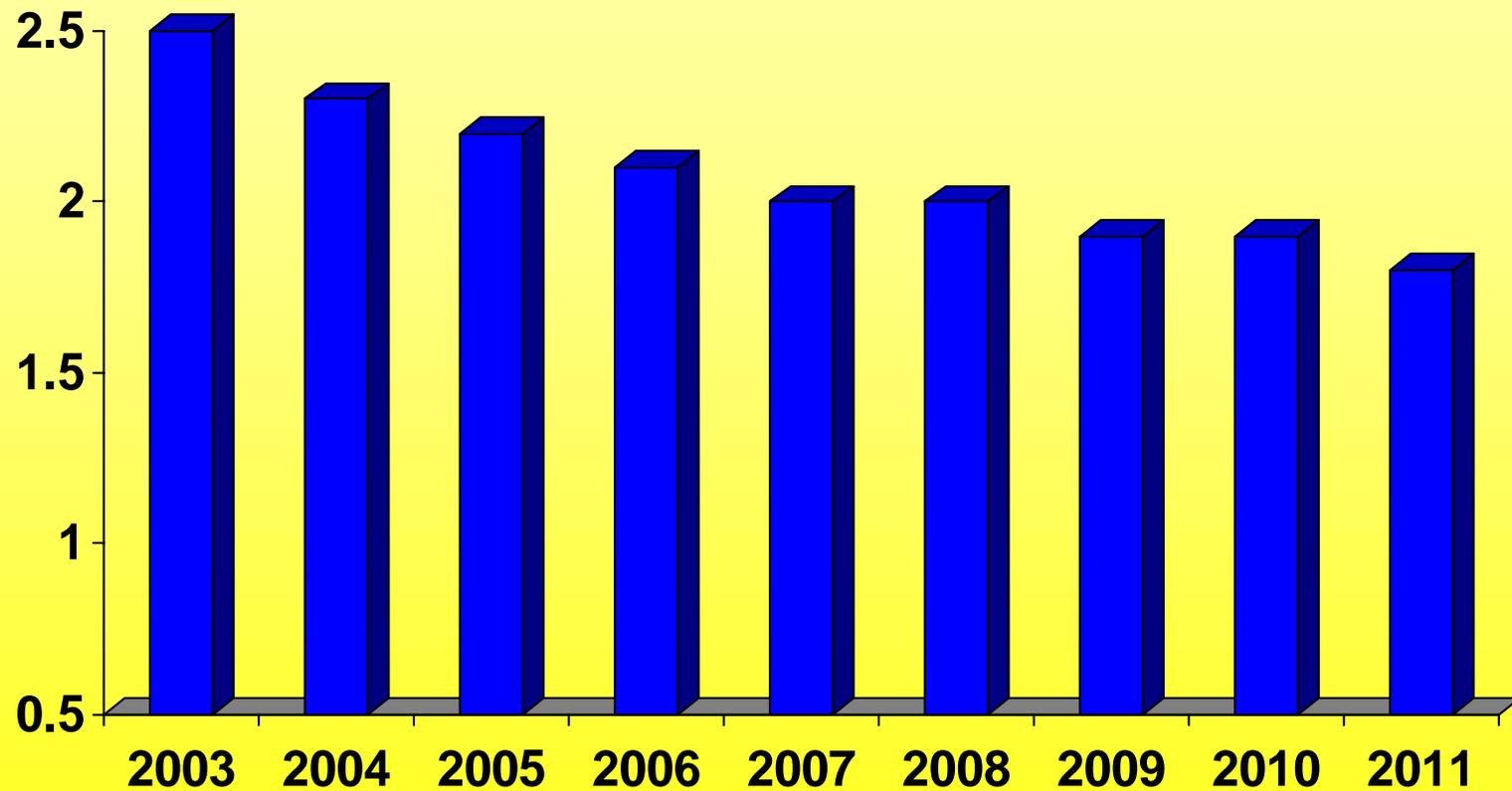


Family Incomes Are Declining, Child Poverty Is Rising



President's Child Care Budget Serves Fewer Children Every Year

Children receiving federal child care assistance, in millions



MedPAC Recommends Nearly \$60 Billion in Cuts to HMOs and PPOs

Billions of Dollars, 2006-2015 (Includes Premium Interactions)

Eliminate Overpayments to Plans So That They Are More In Line With Fee-For-Service	-\$34.8
Eliminate Double Payments for Medical Education	-\$6.4
Remove Extra Risk Adjustment Payments (net of S.1932)	-\$24.7
Eliminate PPO "Slush" Fund	-\$9.0
Total Recommended Cuts to Private Plans (including interactions and net of S. 1932)	-\$57.1

Negotiating Drug Prices Would Save Money for Medicare

- HHS could negotiate lower prices if it was allowed to harness the purchasing power of over 44 million Medicare beneficiaries.

- Secretary Thompson has said, “I would like to have had the opportunity to negotiate [drug prices].”

- During the Anthrax scare, **Secretary Thompson negotiated a 46% discount** off of Bayer’s original price for Cipro.

- In 2003, **HHS negotiated a discount of over 50%** for FluMist.

- GAO found that average **VA-negotiated prices are 50 lower** than the average manufacturer’s prices.

Record Progress on the Budget Under Democratic Leadership

Budget Deficit in Billions

